

Lender

FHA Appraiser Exam:

1. Is there a test required for appraisers to perform FHA appraisals?

Yes, appraisers must pass the FHA Appraiser exam to perform FHA appraisals as of February 1, 2000.

2. How can lenders recognize that appraisers are approved under the new program when ordering case numbers?

HUD has a list of existing appraisers found on the lender's FHA Connection. New appraisers must go through an application process (complete Form HUD-92563, "Fee or Roster Designation-Application For Fee Personnel Designation") and pass the FHA appraiser exam in order to be placed on the FHA Roster. Lenders will not be able to assign cases to appraisers that are not registered on the FHA Roster.

3. To be a registered appraiser, where do appraisers go to complete the new testing, and will they then be issued CHUMS Identification Numbers as in the past?

There are multiple testing centers (Prometric) in each state. All of the information for testing is available on HUD's [website](#). Appraisers will not receive CHUMS Identification Numbers, and HUD will not issue letters to individual appraisers notifying them that they have been placed on the Lender Selection Register or that CHUMS has updated their license information ([Mortgagee Letter 99-28](#)).

4. How do underwriters know if an appraiser is eligible to perform FHA appraisals?

HUD will continue to maintain the FHA Appraiser Roster and will approve only those appraisers who have met the eligibility requirements for placement on the FHA Appraiser Roster. Lenders can ascertain an appraiser's FHA Roster status through the FHA Connection and ECHO.

"For Your Protection: Get a Home Inspection":

1. If the "For Your Protection" form is required to be signed before or on the date the borrower signs a contract, why are lenders required to provide this disclosure?

The lender is ultimately responsible to ensure compliance with this requirement on cases to be submitted for HUD mortgage insurance.

2. Which Disclosure does the “For Your Protection” form replace?

Please refer to [Mortgagee Letter 99-18](#). It has replaced “Importance of Home Inspections” found in Mortgagee Letter 96-97.

3. Since the “For Your Protection” form is to be signed at or before the contract date, what is the required date of notification when an offer to purchase was originally subject to conventional financing and then the requested financing type changes from Conventional to FHA?

Your responsibility is no different than it has been in the past. The new form is part of the FHA financing package and must be signed on or before the contract date. The sales contract must be re-executed if necessary (per [Mortgagee Letter 99-18](#)).

4. Does the purchase contract have to be “re-executed” when the “For Your Protection” form disclosure is not executed prior to or at the signing of the contract? Or can the buyers and sellers sign an Amendment to the contract acknowledging that it was not provided to them before signing the contract, but they have chosen to continue the transaction anyway?

Amendments are not acceptable, but a properly completed modified contract will be acceptable. This includes the same contract dated again and initialed.

5. We, the lender, are not part of the Purchase agreement, so how do we enforce the “For Your Protection” form being executed on time?

If the Realtor does not complete this, the lender must have the borrowers sign the form upon application and re-execute the sales contract. It becomes part of the FHA Case binder.

6. Why is there a space on the “For Your Protection” form for the seller’s name and property address, when many buyers will be signing this form at a pre-approval application and the form clearly indicates with the last statement that the form is to be signed prior to signing a contract on a house?

Although the pre-approval process is an excellent way for a buyer/borrower to know how much “house” they can afford, it is not part of the typical purchasing process. This new required process assists the buyer in making an informed decision.

7. Will you accept a facsimile signature on the “For Your Protection” form?

Yes, but obtain the original for your file, when possible.

8. Can the lender accept a certified copy of the “For Your Protection: Get a Home Inspection” form (in cases where Realtors have already made the disclosure)?

Yes, but it does not need to be a certified copy.

9. What is the order in which the new forms should be placed in the FHA case binder?

The order is as follows, top to bottom: For Your Protection, Uniform Residential Appraisal Report (URAR).

10. On REO sales, will HUD agree to re-execute purchase agreements when the “For Your Protection” form was not signed by the borrower prior to or on the date that the original agreement was signed?

Yes.

Homebuyer Summary:

As of January 1, 2006, the Homebuyer Summary Form is no longer being used

Valuation Conditions:

As of January 1, 2006, the Valuation Conditions (VC) is no longer being used.

Lender Issues:

1. Is the one year warranty going to replace the 10-year warranty?

No.

2. Why, at a time when the mortgage industry is moving in the opposite direction, relying more on credit scores and less on property valuation, did HUD choose to head in the direction of tighter controls?

HUD has always had Minimum Property Requirements and requires a complete and thorough appraisal.

3. Who will be training appraisers?

Industry groups, professional societies and trade organizations provide nationwide training.

Frequently Asked Appraisal Questions for Lenders

4. How will, who will and when will appraisers be removed from the FHA Connection approved appraiser list?

Upon expiration of their appraisal license or certification, or through disciplinary action, appraisers will be removed from the list. Also, appraisers that have not passed the FHA Appraiser exam will not be on the list.